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TAGS: PREL PARM ENRG KNNP EG IR NK
SUBJECT: U/S JOSEPH AND EGYPTIAN MINISTER FOR FOREIGN
AFFAIRS DISCUSS NUCLEAR ISSUES, IRAN

Classified By: DCM Stuart Jones for reasons 1.4 (b) and (d).

¶1. (S) SUMMARY: U/S Joseph met with Egyptian Foreign Minister Aboul Gheit on February 3. He was accompanied by A/S Rood, Ambassador, DOE-NNSA Deputy Administrator Will Tobey, T Senior Advisor Jim Timbie, and econ counselor (notetaker). U/S Joseph described his recent discussions in Moscow, including the initiative to combat nuclear terrorism, and urged Egyptian participation. He also mentioned a second initiative to provide access to fuel for countries considering nuclear power that would obviate any need to acquire fuel enrichment and processing technology. Aboul Gheit said Egypt has not made a final decision about nuclear energy but asked for a detailed paper about the U.S. proposal. The minister stressed that the behavior of countries surrounding Egypt and "the Iranian situation" will "frame our decision" on nuclear energy. Aboul Gheit asked about North Korean and Russian behavior toward Iran and missile defense. On Iran, Aboul Gheit believes Tehran is determined "to pursue the process to the end," adding that they would "not have gone to all this trouble in confrontation with everyone, unless they were determined to go through with it." U/S Joseph raised the question of recent Egyptian Section 3 violations; Aboul Gheit advised that the issue was best dealt with in military channels. END SUMMARY.

¶2. (C) U/S Joseph met with Egyptian Foreign Minister Aboul Gheit on February 3. He was accompanied by A/S Rood, Ambassador, DOE-NNSA Deputy Administrator Will Tobey, T Senior Advisor Jim Timbie, and econ counselor (notetaker). U/S Joseph opened by saying that the U.S. would like to see the use of nuclear power expanded beyond industrialized countries and China and India, to developing nations like Egypt. He described his discussions in Moscow, including the initiative to combat nuclear terrorism, in which thirteen countries are now participating. He described it as similar in structure to the Proliferation Security Initiative (PSI). Participating countries will commit to taking certain measures against nuclear terrorism. U/S Joseph explained that there will be a meeting of participating countries in Turkey in February, after which the group will open up to wider international participation. He urged Egypt to consider participating in the initiative. About Gheit asked about the other members, but did not comment on the prospect of Egyptian participation.

Nuclear Energy Initiative

¶3. (C) U/S Joseph then described a second initiative, which we are working with the Russians, to support an expansion of the use of nuclear energy worldwide. He said the U.S. and

Russia will eventually work with other major nuclear energy states to put this together, and are talking to countries that currently play a role in the fuel cycle: uranium production, enrichment, fuel processing, etc. The goal is to help countries considering nuclear power acquire reactors, as well provide access to an attractive fuel supply arrangement that would obviate any need to acquire fuel enrichment and processing technology. Beyond that, he told Aboul Gheit, Russian President Putin is creating a fuel center in Russia open to participation by other states. This might include fuel leasing, and takeback of spent fuel for use in advanced reactors.

¶14. (C) Aboul Gheit asked about USG arrangements for spent fuel, and U/S Joseph explained the ongoing development of a storage site at Yucca Mountain, acknowledging that this remained an open issue for the U.S. Problems in implementing the Yucca Mountain program were an impetus for the GNEP initiative. While GNEP is the future, given the predicted expansion of nuclear energy worldwide, the U.S. has decided to work with Russia and other suppliers on a near-term solution. U/S Joseph explained the proposed fuel supply arrangement would support increased use of nuclear energy, thereby improving the international energy situation, and providing environmental benefits. It would also reduce the risk of proliferation by stopping the spread of enrichment and processing technology. Countries would be offered an attractive alternative, so they would have no need to acquire fuel cycle technology themselves. In his presentation, U/S Joseph underlined that the U.S. hopes Egypt will play a regional leadership role in encouraging and promoting widespread acceptance of this proposed fuel supply arrangement.

¶15. (C) Aboul Gheit said he appreciated this, but added that

Egypt could not have a response until they make their own decisions about nuclear energy. In that context, he also cautioned that Egypt has not yet finally decided to go ahead with nuclear energy. The minister explained that a Berlin-based Egyptian scientist, who has worked in the German nuclear industry for many years, has made a strong case against Egypt's proposed nuclear power program. This scientist, he said, predicts a significant increase in nuclear production worldwide, projects that the supply of uranium will run out in forty years, and says that Egypt will not recover its nuclear investment before the supply runs out. In the meantime, Aboul Gheit asked for a detailed paper about the proposal that he can use in internal GOE discussions. U/S Joseph said that at this point there is nothing in writing that can be shared, but that the USG hoped to consult with Egypt while the proposal is still in the formative state.

¶16. (C) The other factor in Egypt's thinking on nuclear energy, Aboul Gheit said, is the behavior of countries surrounding Egypt, and "how the Iranian situation will end." This, he said, will "frame our decision" on nuclear energy. Alluding to recent opposition calls in the Parliament for Egypt to begin a nuclear weapons program, Aboul Gheit said Egypt would "absolutely" be a peaceful nuclear power "unless I am threatened by more than one player in the region." If everyone else is going to be "macho," he said, then "we will have to be macho." "But that is not our intention, nor our desire. No one wants to waste the resources for things that will never be used." But, he added, "we have to neutralize the region. Please help me not to find myself squeezed in a corner."

Japan and North Korea

¶17. (C) Aboul Gheit asked about the status of discussions with North Korea. U/S Joseph described North Korea as a danger, but not as complex and dangerous as Iran. He noted, however, that if the international community fails in North Korea, then it may affect Japan's thinking on its nuclear program, which would be a major strategic change in that region. U/S

Joseph said that on her most recent visit to Japan, the Secretary publicly reaffirmed U.S. security and nuclear guarantees for Japan. This, he said, appears to have had a positive effect on the domestic debate over nuclear weapons in Japan, and noted the Chinese thanked the Secretary for her comments.

¶8. (C) U/S Joseph underlined the importance of the full and effective implementation of UNSCR 1718 on North Korea. Aboul Gheit asked about the likelihood of a second series of North Korean nuclear tests; U/S Joseph replied the US has not seen any indications that there will be more tests, but that there is no way to know for certain what the North Koreans will do.

He predicted progress at the next round of the six party talks, due to the effectiveness to date of the implementation of the 1718 sanctions. This, U/S Joseph observed, is why it is so important to impose consequences on Iran for its actions. He emphasized that if Iran fully suspends its enrichment program, the U.S. will participate in future talks.

Iran

¶9. (C) Aboul Gheit asked U/S Joseph about Russian behavior towards Iran. U/S Joseph responded that Russia would continue to act in what it saw as its national interest, and that it is important to make clear that Iran must not acquire nuclear weapons. Right now, he said, Iran is "our greatest strategic challenge." U/S Joseph expressed his concern about the visit of the NAM troika, including Egypt's IAEA Ambassador Ramzi, to Tehran, cautioned that the Iranians would try to manipulate the visitors, and that he hoped the ambassador would not participate in any ceremonies or sign any documents. Aboul Gheit assured him that Ramzy would not.

Aboul Gheit underlined that "we do not want to see nuclear weapons in Iran," as it would add to an already very complicated situation.

¶10. (C) Aboul Gheit asked about IAEA Secretary General ElBaradei's proposal; U/S Joseph responded that the UNSC resolution calls for full and verifiable suspension of their enrichment activity. "If they don't suspend," he commented, "and there is no reason to believe that they will, we must think about ratcheting up the pressure so that diplomacy will work." Aboul Gheit said "embassies" (NFI) in Tehran are saying that the upper echelon of the mullahs is not happy

with Ahmedinejad, and that the results of recent local elections have affected his ability to maneuver. In Aboul Gheit's view Tehran is determined "to pursue the process to the end." He believed the Iranian goal is to obtain the full potential to become a nuclear state, and that they would aim to be in a position to have nuclear weapons within nine months. He argued that they would "not have gone to all this trouble in confrontation with everyone, unless they were determined to go through with it." Aboul Gheit suggested Ahmedinejad is a "stupid guy" whom the mullahs see as acting in a way that is harming Iran and their nuclear project. In Aboul Gheit's view, their criticism of Ahmedinejad is based on his "clumsiness" in managing the situation, and not the nuclear program itself.

¶11. (C) Aboul Gheit also mentioned missile defense. U/S Joseph explained that the goal of the U.S. program is to defend against an attack with a handful of missiles, not hundreds, and in that context it was not aimed at the Russians, but at other actors, including, for example, Iran. He described Russian concerns as based on Cold War-era thinking. Interceptors in Poland, for example, would counter a few missiles from Iran, but not the hundreds that the Russians still have deployed under the terms of the Treaty of Moscow. He noted that there are reports that Iran is working on a long range missile, with a 2500 km range, with North Korea.

¶12. (S/NF) U/S Joseph raised the question of Egypt's recent Section (3) violation, and the notification the Administration has made to Congress. He commented that these notifications must take place when there has been a "substantial end-use violation." He said there have been several recent cases in Egypt, and noted particularly the Bodyguard testing issue. He described USG concerns as important, and said the incident "will affect the Congressional debate" over military assistance to Egypt. He emphasized that the USG needs the test information we have requested, and that "we need to work together" on this issue.

¶13. (S) Aboul Gheit responded that he understood the issue has been discussed between the U.S. and Egyptian military establishments. He cited the letter that Minister of Defense Field Marshall Tantawi sent, and described it as "an answer to the issue." He suggested that the way forward would be for the two militaries to "get in touch." Aboul Gheit advised the U.S. side to "sit with the Egyptian military and explain to them all the details of the arrangements and understandings that we are committed to and that we are bound to so that we do not annoy you." He pointed to the long history of the program, and Tantawi's equally long involvement in it.

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